

MINUTES
BOARD OF SUPERVISORS
COUNTY OF YORK

Regular Meeting
March 7, 2006

6:00 p.m.

Meeting Convened. A Regular Meeting of the York County Board of Supervisors was called to order at 6:02 p.m., Tuesday, March 7, 2006, in the Board Room, York Hall, by Chairman Walter C. Zaremba.

Attendance. The following members of the Board of Supervisors were present: Walter C. Zaremba, Sheila S. Noll, Kenneth L. Bowman, James S. Burgett, and Thomas G. Shepperd, Jr.

Also in attendance were James O. McReynolds, County Administrator; J. Mark Carter, Assistant County Administrator; and James E. Barnett, County Attorney.

WORK SESSION

PRESENTATION OF THE PROPOSED FY2007 BUDGET AND REVIEW OF RELATED MATERIALS

Mr. McReynolds presented to the Board of Supervisors the proposed FY2007 Budget, stating it is a policy document that represents the implementation of the Board's policy set in the form of specific funding decisions. It is also the vehicle to set tax rates and authorize spending. It is also a financial planning tool through which the County ensures that the available resources will be sufficient to meet the anticipated and unanticipated costs of providing services to the citizens over the coming year. Mr. McReynolds indicated that the Board had provided guidance to prepare a budget that would continue to provide the same level of service to the citizens, while at the same time provide the maximum possible tax rate reduction. The proposed budget developed for FY2007 includes a real estate tax rate reduction from \$.8175 to \$.6975 per hundred dollars of valuation, a reduction of 12 cents. He then spoke of the recent reassessment and provided background about the County's growth over the past several years. From July of 2000 through June of 2005, the County's budget grew from \$73.5 million to \$95.3 million, representing a 29.7 percent increase over the 5-year period, or an average of 5.9 percent per year. On the population side, during the same 5 years, the number of households increased by 8.1 percent, and the total population grew 7.5 percent. Mr. McReynolds then reviewed commercial growth, noting that over 50 percent of local tax revenue comes from commercial activity, which shifts some of the burden of paying for the cost of government from the residential taxpayers to business taxpayers. The County has experienced a 49.5 percent increase in taxable sales, more than double the percent achieved by any other locality in the region, and nearly three times the Peninsula average. Mr. McReynolds next reviewed expenditure trends for the past five years, noting that in FY2000 the general fund budget per capita, adjusted for inflation, was \$1,503.64; in FY2005 it was \$1,507.34, a per capita increase in constant dollars of only \$3.70. He stated the Board's two highest service priorities are education and public safety, and most of the County's spending growth has been in these two areas. If these two areas were excluded from the per capita calculation, the constant dollar budget for all other expenditures has actually decreased by almost \$37, falling from \$674 to \$637.

Mr. McReynolds indicated the significant factors influencing the proposed FY07 budget include a proposed tax rate decrease, school funding, fuel costs, the radio maintenance agreement, retirement costs, and an increased demand for services. The highlights of the proposed FY07 budget include:

- A 12-cent reduction to the real estate tax rate

- An increase of 8.4 percent in County funding for School Operations
- The addition of 11.5 new general fund positions
- An adjustment of 2 percent to the County's pay plan
- Funding to continue the drainage improvements program
- Funding to continue economic development efforts
- Funding for capital projects

The major areas of expenditure increases include:

- Education—\$46.7 million, an increase of \$3.1 million or 8.4 percent
- Personnel—11.5 new FTEs and a market adjustment of 2 percent for the pay plan
- Non-Personnel—\$21.53 million, an increase of \$1.72 million
- Capital Improvements/Debt—\$5.7 million

Mr. McReynolds then reviewed the revenue side of the budget, stating that with a real estate tax rate of \$.6975, General Fund revenues are expected to grow to over \$111 million. State revenues are expected to decline to \$12.9 million. New commercial construction and full year operation of several new businesses in the County, along with the results of the general reassessment, are driving the anticipated increases to several local tax sources. Most of the revenue growth is expected to occur in the areas of general property taxes and other local taxes which are projected to increase by \$6.1 million and \$2.5 million, respectively. Mr. McReynolds stated the County has an excellent bond rating and highly sought after credit. The County is in excellent financial position and has the resources necessary for sound fiscal management. He stated the proposed budget outlined represents a conservative estimate of the amounts necessary to continue the current level of service delivery and maintain the County's infrastructure at an acceptable level.

Mr. Shepperd indicated it was an excellent presentation. He stated it is easy for the citizens to lose sight of the importance of the numbers Mr. McReynolds has provided. The increase in the budget from last year is 8.4 percent, and because of the agreement with the school division, the school budget will also increase.

Mr. McReynolds stated the General Fund contribution to the School Division budget would increase by \$3.122 million or 8.4 percent.

Mr. Shepperd noted that the business community will be providing about 52 percent of the tax revenue, and it only represents 19 percent of the tax base. He stated the information was great, and he just wanted to review the points that the citizens need to focus on. He also noted that York's number of staff per 1000 citizens ranks second to the lowest in the region, which is very significant.

Mr. Burgett noted that the per capita cost of government from where it was over the past five years has only gone up a little over \$3, which is also very significant.

Discussion followed concerning the increase in the budget over the past five years without adjustment for inflation and the loss of the car tax.

Mr. Bowman stated he felt it was an excellent briefing, and one of the key slides for him was the General Fund expenditure slide. He stated the quality of life issues of education and public safety that the citizens move here for are right at the top. The other issue that he wanted to make sure the citizens understood was the fact that the commercial tax base contributes over 50 percent of the General fund tax revenue. He stated he would like the Board to get an updated economic development report from Mr. Noel. Mr. Bowman also noted that the proposed tax rate reduction to \$.6975 is outstanding, and the citizens should be pleased.

Mrs. Noll indicated that the lower the tax rate, the more people will want to come to York County and live.

Chairman Zaremba asked Mr. McReynolds to confirm that what the Board contributes to the school division on a local level is based on a formula.

Mr. McReynolds indicated there has never been a formal agreement, but the informal agreement for the past several years has been that the schools budget would get the same percentage increase as the county operating budget receives.

Chairman Zaremba stated that the School Division also gets state and federal dollars, yet when there is talk about reducing the tax rate to take the burden off the citizens, it is the County side that absorbs the reduction, not the School Division. He stated he feels the schools are getting more than their fair share of what the budget process is all about, and the Board has to look at whether or not it wants to stay with the current formula.

Mr. Shepperd noted he felt it was a very valid point. The burden is because the Board has based the educational services with a priority and a fixed formula, and they will never get a decrease unless the Board was to reduce the budget in the negative.

Chairman Zaremba questioned if the citizens really understand that although the real estate tax rate will decrease by at least 12 cents, their bills will still be more than they were last year.

Discussion followed on the unique set of circumstances for each property which will impact on the taxes paid by each taxpayer based on the lowered tax rate.

Chairman Zaremba asked about the figures for per capita costs in constant dollars and why provide the figures without the public safety and education.

Mr. Burgett noted that it shows what the rest of the government is costing, and it says the Board cannot look at this area for any further reductions. He stated that in order to provide any further reduction in the tax rate, the Board will have to go to the big items.

Chairman Zaremba asked about the personnel costs increase and the component parts of the 9.7 percent.

Mr. McReynolds explained it includes \$400,000 for new positions, \$650,000 for the retirement system, and \$250,000 for health insurance. The actual wage increase is about 4.25 percent. He noted it also includes work-as-required, part-time, and overtime monies to address backlogs.

Chairman Zaremba asked when the Board would address the requests of the agencies that came before the Board to speak at the recent public forum.

Mr. McReynolds stated the Board has a scheduled work session on March 14 to discuss those requests.

CONSENT CALENDAR

Chairman Zaremba asked for Mr. Hudgins to provide some information on Item Nos. 2 and 3 concerning the Towne Park Corporate Center.

Mr. John Hudgins, Director of Environmental and Development Services, briefly explained the purpose of the proposed resolutions before the Board requesting approval of extensions to the County's water and sewer systems.

Mrs. Noll moved that the Consent Calendar be approved as submitted, Item Nos. 1, 2, 3, 4, and 5, respectively.

On roll call the vote was:

Yea: (5) Noll, Bowman, Shepperd, Burgett, Zaremba
Nay: (0)

Thereupon, the following minutes were approved and resolutions adopted:

Item No. 1. APPROVAL OF MINUTES

The following minutes of the York County Board of Supervisors were approved:

February 7, 2006, Regular Meeting
February 11, 2006, Adjourned Meeting

Item No. 2. PUBLIC SEWER EXTENSION AGREEMENT—TOWNE PARK CORPORATE CENTER: Resolution R06-24.

A RESOLUTION TO AUTHORIZE AN EXTENSION OF THE COUNTY'S SANITARY SEWER SYSTEM TO A PROPOSED DEVELOPMENT KNOWN AS TOWNE PARK CORPORATE CENTER, AND AUTHORIZING EXECUTION OF THE NECESSARY PUBLIC SEWER EXTENSION AGREEMENT

WHEREAS, P.F. Summers International Center, L.L.C., and Lyndhurst Trust have requested that the County enter into a public sewer extension agreement pursuant to § 18.1-53 (b) of the York County Code to serve four new office buildings; and

WHEREAS, the plan for the proposed project has been reviewed by the County; and

WHEREAS, prior to final approval of these plans and the initiation of any construction activity, it is necessary that a determination be made as to whether the Board will authorize the extension of the public sewer facilities of the County to serve the proposed development; and

WHEREAS, it has been determined that sufficient capacity exists in the County's existing sewer system to serve the proposed development, or will exist when the facilities proposed by the developer are constructed; and

WHEREAS, in accordance with the terms of Chapter 18.1 of the York County Code the total connection fee to be paid to the County for the proposed extension to serve this development has been determined to be \$66,000;

NOW, THEREFORE, BE IT RESOLVED by the York County Board of Supervisors this 7th day of March, 2006, that the Board approves the extension of the County's public sewer system to serve the proposed development, Towne Park Corporate Center, and that the County Administrator be, and he hereby is, authorized to execute a public sewer extension agreement with P.F. Summers International Center, L.L.C., and Lyndhurst Trust for the proposed extension; such agreement to be approved as to form by the County Attorney.

Item No. 3. PUBLIC WATER EXTENSION AGREEMENT—TOWNE PARK CORPORATE CENTER: Resolution R06-25

A RESOLUTION TO AUTHORIZE AN EXTENSION OF THE COUNTY'S WATER SYSTEM TO A PROPOSED DEVELOPMENT KNOWN AS TOWNE PARK CORPORATE CENTER, AND AUTHORIZING EXECUTION OF THE NECESSARY PUBLIC WATER EXTENSION AGREEMENT

WHEREAS, P.F. Summers International Center, L.L.C., and Lyndhurst Trust have requested that the County enter into a public water extension agreement pursuant to § 22-88 (b)

of the York County Code to serve four new office buildings; and

WHEREAS, the plan for the proposed project has been reviewed by the County; and

WHEREAS, prior to final approval of these plans and the initiation of any construction activity, it is necessary that a determination be made as to whether the Board will authorize the extension of the public water facilities of the County to serve the proposed development; and

WHEREAS, it has been determined that sufficient capacity exists in the County's existing water system to serve the proposed development, or will exist when the facilities proposed by the developer are constructed; and

WHEREAS, in accordance with the terms of Chapter 22 of the York County Code the total connection fee to be paid to the County for the proposed extension to serve this development has been determined to be \$57,000;

NOW, THEREFORE, BE IT RESOLVED by the York County Board of Supervisors this 7th day of March, 2006, that the Board approves the extension of the County's public water system to serve the proposed development, Towne Park Corporate Center, and that the County Administrator be, and he hereby is, authorized to execute a public water extension agreement with P.F. Summers International Center, L.L.C., and Lyndhurst Trust for the proposed extension; such agreement to be approved as to form by the County Attorney.

Item No. 4. PURCHASE AUTHORIZATION: Resolution R06-19

A RESOLUTION TO AUTHORIZE THE COUNTY ADMINISTRATOR
TO EXECUTE AN AGREEMENT FOR THE BAILEY ROAD SEWER
REALIGNMENT PROJECT

WHEREAS, it is the policy of the Board of Supervisors that all procurements of goods and services by the County involving the expenditure of \$30,000 or more be submitted to the Board for its review and approval; and

WHEREAS, the County Administrator has determined that the following procurement is necessary and desirable, it involves the expenditure of \$30,000 or more, and that all applicable laws, ordinances, and regulations have been complied with;

NOW, THEREFORE, BE IT RESOLVED by the York County Board of Supervisors this 7th day of March, 2006, that the County Administrator be, and hereby is, authorized to execute procurement arrangements for the following:

	<u>AMOUNT</u>
Bailey Road Sewer Realignment Project	\$ 96,732

Item No. 5. PROPOSED VIRGINIA BYWAY DESIGNATION: Resolution R06-22

A RESOLUTION TO NOMINATE YORKTOWN AND CRAFTFORD
ROADS IN NEWPORT NEWS AND CRAWFORD, GOOSLEY, AND
COOK ROADS IN YORK COUNTY FOR INCLUSION IN THE VIR-
GINIA BYWAY SYSTEM

WHEREAS, the Virginia Byways Program recognizes road corridors containing aesthetic or cultural values near areas of historical, natural, or recreational significance to encourage travel to interesting destinations and for leisure in motoring; and,

WHEREAS, Byways have been found to stimulate local economies by attracting visitors to lesser known destinations away from high-traffic corridors and can become part of coordi-

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nated promotional strategies for Virginia tourism, including the Yorktown 225th commemoration and Jamestown 2007 commemoration; and,

WHEREAS, designation as a Virginia Byway would not limit land use controls or road improvements but could limit outdoor advertising signage; and,

WHEREAS, the following sections of roadways in Newport News and York County have historic, cultural, scenic and rural qualities: Yorktown Road (in Newport News) between Warwick Boulevard and Crafford Road, Crafford/Crawford Road, Goosley Road between Crawford Road and Cook Road, and Cook Road between Goosley Road and Ballard Street; and,

WHEREAS, the sites on this road corridor would include a variety of experiences, including the Yorktown Battlefield and other historic sites in Yorktown; the rural and historic drive along Crafford/Crawford Road, and Lee Hall Depot, Lee Hall Mansion and Endview Plantation,

WHEREAS, in accordance with §33.1-63 of the Code of Virginia, the County has enacted zoning controls to reasonably protect the aesthetic and cultural value of the Byway; and

WHEREAS, the County is jointly pursuing such Virginia Byway designation in cooperation with the Newport News City Council; and,

NOW, THEREFORE, BE IT RESOLVED this the 7th day of March, 2006, by the York County Board of Supervisors that it does hereby request that the Virginia Department of Transportation, the Commonwealth Transportation Board, and the Virginia Department of Conservation and Recreation initiate the process of designation of Yorktown Road from Warwick Boulevard to Crafford Road, Crafford/Crawford Road from Yorktown Road to Goosley Road, Goosley Road from Crawford Road to Cook Road, and Cook Road from Goosley Road to Ballard Street as Virginia Scenic Byways by carrying out a study of their qualifications for such designation.

OPEN DISCUSSION

A brief discussion took place concerning how the equalized tax rate is computed.

Meeting Adjourned. At 7:11 p.m. Chairman Zarembo declared the meeting adjourned to 6:00 p.m., Tuesday, March 14, 2006, in the East Room, York Hall, for the purpose of conducting a work session.

James O. McReynolds, Clerk
York County Board of Supervisors

Walter C. Zarembo, Chairman
York County Board of Supervisors